## INFORMATION REPORT

S-E-C-R-E-T

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COUNTRY Rast Germany

SUBJECT Simplification of the East German

1955 Production Plan

NO. OF PAGES

AREQUIREMENT NO. RD

PLACE ACQUIRED

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(FOR KEY SEE REVERSE)

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- According to an order issued by the East German State Planning Commission, the 1955 production plan was to be essentially simplified. Simplification was to be reached through the consolidation of individual plan positions into more general units so that a smaller number of plan positions need be included in the production plan.
- As a result of this order, the 1955 production plan for all enterprises under the East German Ministry for Machine Construction provided for only 60 plan positions, whereas the preceding plans had about 350.
- 3. As a result of the simplification, the coordination between the various branches of industrial production was entirely lost. The following example will illustrate the situation: the Main Administration for Automobile and Tractor Construction of the Ministry for Machine Construction had planned a certain production program for automobiles during 1955. When in January 1955 the production plans of the individual enterprises were received by their Main Administrations, it turned out that the enterprises belonging to the electro-technical sector of industry had not provided for the production of the accessories needed for carrying out the automobile production program. As a result, the entire 1955 production plan had to be changed. The changes are being made with consideration being given to the individual production plans of all enterprises in East German industry, but it is expected that the revised 1955 production plan will not be completed before the end of February 1955.

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